

Credit, ATM, and debit cards

Many people find it easy and convenient to use credit cards and ATM or debit cards. The Fair Credit Billing Act (FCBA) and the Electronic Fund Transfer Act (EFTA) offer procedures for you to follow if your cards are lost or stolen.

Limiting your financial loss

Report the loss or theft of your credit cards and your ATM or debit cards to the card issuers as quickly as possible. Many companies have toll-free numbers and 24-hour service to deal with such emergencies. It is a good idea to follow up your phone calls with a letter. Include your account number, when you noticed your card was missing, and the date you first reported the loss. Keep copies of any letters you send.

You also may want to check your homeowner's insurance policy to see if it covers your liability for card thefts. If not, some insurance companies will allow you to change your policy to include this protection.

• Credit card loss or Fraudulent charges (FCBA)

Your maximum liability under federal law for unauthorized use of your credit card is \$50. If you report the loss before your credit cards are used, the

FCBA says the card issuer cannot hold you responsible for any unauthorized charges. Also, if the loss involves your credit card number, but not the card itself, you have no liability for unauthorized use.

After the loss, review your billing statements carefully. If they show any unauthorized charges, it is best to send a letter to the card issuer describing each questionable charge.

Tell the card issuer the date your card was lost or stolen, or when you first noticed unauthorized charges, and when you first reported the problem to them.

Be sure to send the letter to the address provided for billing errors. Do not send it with a payment or to the address where you send your payments unless you are directed to do so.

• ATM or debit card loss or fraudulent transfers (EFTA).

Your liability under federal law for unauthorized use of your ATM or debit card depends on how quickly you report the loss. If you report an ATM or debit card missing before it is used without your permission, the

EFTA says the card issuer cannot hold you responsible for any unauthorized transfers. If unauthorized use occurs before you report it, your liability under federal law depends on how quickly you report the loss.

For example, if you report the loss within two business days after you realize your card is missing, you will not be responsible for more than \$50 for unauthorized use. However, if you do not report the loss within two business days after you discover the loss, you could lose up to \$500 because of an unauthorized transfer.

You also risk unlimited loss if you fail to report an unauthorized transfer within 60 days after your bank statement containing unauthorized use is mailed to you. That means you could lose all the money in your bank account and the unused portion of your line of credit established for overdrafts.

However, for unauthorized transfers involving only your debit card number (not the loss of the card), you are liable only for transfers that occur after 60 days following the mailing of your bank statement containing the unauthorized use and before you report the loss.

If unauthorized transfers show up on your bank statement, report them to the card issuer as quickly as possible. Once you have reported the loss of your ATM or debit card, you cannot be held liable for additional unauthorized transfers that occur after that time.

Protecting your cards

The best protections against card fraud are to know where your cards are at all times and to keep them secure. For protection of ATM and debit cards that involve a Personal Identification Number (PIN), keep your PIN a secret. Do not use your address, birthdate, phone or Social Security number as the PIN and do memorize the number.

Mailboxes are a common source of credit cards, checks and other negotiable items for fraud artists. Consider a locking device for your mailbox.

The following suggestions may help you protect your credit card and your ATM or debit card accounts.

For credit, ATM and debit cards

- Be cautious about disclosing your account number over the phone unless you know you are dealing with a reputable company.
- Never put your account number on the outside of an envelope or on a postcard.
- Draw a line through blank spaces on charge or debit slips above the total so the amount cannot be changed.
- Do not sign a blank charge or debit slip.
- Never leave cards or card receipts (which often have the card number on them) in cars.
- At home, keep cards out of sight.
- Make sure after each purchase the card is returned, and make sure it is the right card.
- Never lend a card to a friend.
- Tear up carbon copies and save your receipts to check against your monthly statements.
- Sign cards and destroy expired cards.
- Cut up old cards – cutting through the account number – before disposing of them. Advise your financial institution in writing that the card is no longer wanted.
- Open monthly statements promptly and compare them with your receipts. Report mistakes or discrepancies as soon as possible to the special address listed on your statement for inquiries. Under the FCBA (credit cards) and the EFTA (ATM or debit cards), the card issuer must investigate errors reported to them within 60 days of the date your statement was mailed to you.
- Keep a record – in a safe place separate from your cards – of your account numbers, expiration dates, and the telephone numbers of each card issuer so you can report a loss quickly.
- Treat cards as if they were cash. Carry only cards that you anticipate you will need.

For ATM or debit cards

- Do not carry your PIN in your wallet or purse and do not write it on your ATM or debit card.
- Never write your PIN on the outside of a deposit slip, an envelope, or other papers that could be easily lost or seen.
- Carefully check ATM or debit card transactions before you enter the PIN or before you sign the receipt; the funds for this item will be fairly quickly transferred out of your checking or other deposit account.
- Periodically check your account activity, especially if you bank online. Compare the current balance and recent withdrawals or transfers to those you have recorded, including your current ATM debit card withdrawals, purchases and your recent checks.

If you notice transactions you did not make, or if your balance has dropped suddenly without activity by you, immediately report the problem to your card issuer. Someone may have co-opted your account information to commit fraud.

Buying a registration service

For an annual fee, companies will notify the issuers of your credit card and your ATM or debit card accounts if your card is lost or stolen. This service allows you to make only one phone call to report all card losses rather than calling individual issuers. Most services also will request replacement cards on your behalf.

Purchasing a card registration service may be convenient, but it is not required. The FCBA and the EFTA give you the right to contact your card issuers directly in the event of a loss or suspected unauthorized use.

If you decide to buy a registration service, compare offers. Carefully read the contract to determine the company's obligations and your liability. For example, will the company reimburse you if it fails to notify card issuers promptly once you have called in the loss to the service? If not, you could be liable for unauthorized charges or transfers.

Enforcement contacts

The following federal agencies are responsible for enforcing federal laws that govern credit card and ATM or debit card transactions. Questions concerning a particular card issuer should be directed to the enforcement agency responsible for that issuer.

Board of Governors of the Federal Reserve System

Regulates state-chartered banks that are members of the Federal Reserve System, bank holding companies, and branches of foreign banks:

Federal Reserve Consumer Help
PO Box 1200
Minneapolis, MN 55480
888-851-1920
federalreserveconsumerhelp.gov

Consumer Financial Protection Bureau

Regulates banks and credit card companies that have assets over \$10 Billion:

Consumer Financial
Protection Bureau
PO Box 4503
Iowa City, IA 52244
855-411-2372
consumerfinance.gov

Federal Deposit Insurance Corporation

Regulates state-chartered banks that are not members of the Federal Reserve System:

Consumer Response Center
1101 Walnut Street
PO Box 111
Kansas City, MO 64106
877-ASK-FDIC (275-3342)
fdic.gov

National Credit Union Administration

Regulates federally chartered credit unions:

Office of Public and
Congressional Affairs
1775 Duke Street
Alexandria, VA 22314-3428
703-518-6330
ncua.gov

Office of the Comptroller of the Currency

Regulates banks with "national" in the name or "N.A." after the name, federal savings banks, and federal savings and loan associations:

Office of the Ombudsman
Customer Assistance Group
1301 McKinney Street, Ste. 3450
Houston, TX 77010
800-613-6743
occ.gov

Federal Trade Commission

Regulates other credit card and debit card issuers:

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
877-FTC-HELP (382-4357)
ftc.gov

Wisconsin Department of Financial Institutions

Regulates state chartered financial institutions located in Wisconsin:

Bureau of Consumer Affairs
201 W Washington Ave, Ste.500
PO Box 8041
Madison, WI 53708-8041
800-452-3328
wdfi.org

For more information, or to file a complaint, contact us at:

Bureau of Consumer Protection
2811 Agriculture Drive
PO Box 8911
Madison WI 53708-8911

EMAIL: DATCPh hotline@wi.gov

WEBSITE: datcp.wi.gov

(800) 422-7128

FAX: (608)224-4677

TTY: (608)224-5058

(Some information taken from the Federal Trade Commission fact sheet "Credit, ATM and Debit Cards: What to do if they're Lost or Stolen")

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